

## DEFECT INFORMATION REPORT

Ferrari North America, Inc. ("FNA") has determined that a defect that relates to motor vehicle safety exists in certain Model Years 1995 - 1999 Ferrari 355 and 355 F1 vehicles. FNA is providing this notification in accordance with 49 C.F.R. Part 573.

Ferrari SpA has informed FNA of the possibility that independent service stations and automobile repair facilities that are not authorized Ferrari dealers may improperly install certain screw clamps that are located in close proximity to the fuel lines and that fasten the water sleeve to the thermostat connection. FNA is aware of only one instance in the United States in which an independent automobile repair facility improperly installed such a screw clamp and believes that the error committed by that shop was so open and obvious that the error is unlikely to be repeated in the absence of gross negligence. Nevertheless, it is possible that such grossly faulty installation of the screw clamps could cause damage to the fuel supply pipes, possibly resulting in the leakage of fuel into the engine compartment, which in turn could cause smoke and, in rare circumstances, a fire, rendering the vehicle inoperable and possibly resulting in a crash. In order to prevent any repetition of this scenario, FNA, in consultation with Ferrari SpA, has decided to launch a Recall Campaign to install a new fuel divider block, which will serve to provide a greater distance between these screw clamps and the fuel lines. Such a campaign will assure the widest distribution of the new fuel divider block and make it available to Ferrari customers at no cost.

Accordingly, as set forth below, FNA proposes to provide notice to all customers, warning them of this non-conformity and that their vehicle must be brought to their authorized Ferrari dealer for the installation of the new fuel divider block that is located inside of the engine compartment.

The information that is required by your regulation follows:

1. *Manufacturer's Name and Address.*

The fabricating manufacturer (*see* 49 CFR § 573.6(c)(1)) is Ferrari SpA. The designated entity pursuant to 49 U.S.C. § 30164(a), which also is making this report, is:

Ferrari North America, Inc.  
250 Sylvan Avenue  
Englewood Cliffs, N.J. 07632

2. *Vehicles Involved in this Notification.*

The affected vehicles consist of Model Years 1995, 1996, 1997, 1998, and 1999 Ferrari 355 and 355 F1 vehicles in the VIN range: ZFFPR42A9S0101818 to ZFFXR48A1X0117039. (Assembly number 19318 to Assembly number 33972)

3. *Total Number of Vehicles Potentially Containing the Defect.*

The total population of potentially affected Model Year 1995 - 1999 Ferrari 355 and 355 F1 vehicles not in FNA's custody and control is approximately 2,356 vehicles.

4. *Approximate Percentage of Vehicles Estimated to Contain the Defect.*

FNA believes that all 2,356 vehicles in the defined population contain the defect.

5. *Description of the Defect.*

Ferrari SpA has informed FNA of the possibility that independent automobile repair facilities might improperly install certain screw clamps that are located in close proximity to the fuel lines and that fasten the water sleeve to the thermostat connection. If improperly installed, the screw clamps could damage the fuel supply pipes, resulting in the leakage of fuel into the engine compartment, which could cause smoke and, in rare circumstances, a fire, which could render the vehicle inoperable and result in a crash. Because such errors should be obvious to any trained automobile repair technician, they are extremely unlikely to occur. FNA, however, is aware of one such occurrence, involving a Model Year 1996 Ferrari 355 vehicle, which resulted in a fire and an injury to the vehicle's driver. Accordingly, FNA, in consultation with Ferrari SpA, has decided to launch a Recall Campaign to install a new fuel divider block, which will serve to provide a greater distance between these screw clamps and the fuel lines.

6. *Chronology of Events Leading to this Defect Determination.*

In early 1998, FNA was first made aware of a potential problem concerning the positioning of a water sleeve screw clamp on certain Ferrari F355 vehicles. Subsequently, FNA issued two recalls to remedy the problem. These recalls bore the Ferrari numbers 158 (98V-057) and 159 (98V-058).

After these recalls were issued, FNA did not learn of any additional issues until in or about June, 2007, when it learned of a lawsuit alleging certain non-conformities in a Model Year 1996 Ferrari 355 vehicle. In the course of the litigation investigation and discovery, FNA learned that an independent repair shop had performed service on the subject vehicle without first determining the proper method for installing the subject water sleeve screw clamp.

FNA believes that as a result of the independent service shop's negligence, the water sleeve screw clamp chafed against the fuel line, and a fire ultimately occurred, resulting in an injury to the vehicle's driver. FNA concluded that the installation error committed by the independent service shop was extremely unusual and should have been obvious to, and readily avoidable by, any reasonably skilled technician. In light of the unusual nature of the incident just described, there have—not surprisingly—been no other similar incidents in the United States of which FNA has been apprised.

Nevertheless, when Ferrari SpA developed an alternative design that, among other things, would have the benefit of preventing such negligent repairs in the future, Ferrari SpA and FNA determined that this design change should be made available to Ferrari customers at no cost, and steps should be taken to assure the widest possible distribution of this design change. To facilitate the distribution of this modification to the widest possible extent, FNA and Ferrari SpA

determined that NHTSA's recall notification and remedial processes would be very helpful. Accordingly, FNA, together with Ferrari SpA, decided to institute this recall.

7. *Description of Proposed Remedy.*

FNA proposes to provide a notice to all customers that would inform them about this issue and that the fuel divider block needs to be installed in order to eliminate the possibility of any damage to the fuel supply pipes which could cause fluid leakage. FNA believes that the proposed notice and remedy would fully address the issue. FNA also proposes to inspect and if necessary, replace any of the fuel supply lines at no charge to the customers.

Because the remedy being provided in this campaign has not previously been available, no customers would have purchased it prior to this campaign. Accordingly, the pre-notification reimbursement provisions of 49 C.F.R. §§ 573.6(c)(8), 573.13, and 577.11 are not applicable, and Ferrari proposes to omit any reference to them in the owner notification letter.

8. *Campaign Schedule and Draft Notices.*

FNA expects to begin customer notification within 30 days. FNA is submitting customer notifications to NHTSA for review with this letter.

9. *Representative Copies of Notifications that Relate to the Defect and Have Been Sent to More than One Manufacturer, Distributor, Dealer, or Purchaser.*

Since the recalls discussed above, there are no notices, bulletins, or other communications that relate directly to the defect and have been sent by FNA to more than one manufacturer, distributor, dealer, or purchaser.

10. *Manufacturers' Campaign Number.*

The manufacturer's campaign number is 48.

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If you have any questions, please contact Adam Rowley at (201) 816-2600.